Declassified and Approved For Release 2012/08/15: CIA-RDP99-01448R000301220066-9 UNITED PRESS INTERNATIONAL 4 March 1986

CIA BY NORMAN D. SANDLER WASHINGTON

President Reagan has accepted the resignation of CIA Deputy Director John N. McMahon and will name another veteran intelligence officer, Robert M. Gates, to succeed him, the White House announced late Tuesday.

The shakeup was disclosed late in the day as the White House released copies of a Feb. 24 resignation letter in which McMahon, 56, a 34-year veteran of the worlds of espionage and intelligence, told Reagan, ''I have reached the stage where I should move on.''

Gates, 42, named to fill the No. 2 post after McMahon leaves March 29, has been a CIA employee since 1966 and has risen through the ranks as an analyst and administrator on the open side of the intelligence business. Since 1982, he has been deputy director for intelligence.

In his letter to Reagan, McMahon, deputy director of the CIA since June 1982, said he leaves ''with the satisfaction and confidence that U.S. intelligence has never been better thanks to the resources you have placed into our intelligence effort and the strong support you have given our intelligence programs.''

Despite rumors of internal friction within high levels of the CIA, McMahon said Reagan gave the U.S. intelligence community ''a unique asset'' in his selection of William Casey as director of central intelligence.

''He has brought wisdom, energy, and leadership to our activities that has provided our country with an intelligence capability second to none,'' McMahon said of Casey. ''While I must admit that I do not leave the intelligence world without mixed emotions, it is gratifying to leave it on a high and in such good hands.''

During heavy criticism of CIA activities in the 1970s, McMahon appeared to be the one official who had the confidence of both the administration and Congress.

A CIA spokeswoman said McMahon had no plans beyond his departure from the spy agency. ''He's like a lot of people who have had a long career and want to retire,'' she said.

Speakes, in a brief statement telephoned to reporters, said Reagan accepted the resignation from McMahon ''with regret'' and ''expressed his deep appreciation for his contribution to the nation.'' No explanation was given for the unusual manner in which the resignation announcement was handled.

During his career, McMahon served both in positions on the overt and covert sides of the CIA. He headed the directorate responsible for covert operations from 1978 to 1981 and was executive director of the agency before his most recent assignment.

In contrast, Gates joined the CIA in 1966 and has been an intelligence analyst since 1969. During his career, he has served as a special assistant to the director for strategic arms limitations and as a senior intelligence officer for the Soviet Union and Eastern Europe. He also served under three presidents -- Nixon, Ford and Carter -- while on special detail to the National Security Council staff.